

Discovering Our Energy Future

Excellence in Oil and Gas Conference

David Salisbury, CEO and Managing Director

20 April 2010

Sydney



NZOG (New Zealand Oil & Gas Ltd)



Issued Capital: 389 million shares

Shareholders: ~15,000
~ 25% institutions

Market cap: ~NZ\$625 million

Head Office: 125 The Terrace
Wellington, New Zealand

Website: www.nzog.com

Solid Platform for Growth



Production:

- Two producing assets
 - Tui area oil fields since July 2007 (12.5%)
 - Kupe gas and oil field since December 2009 (15%)

Investments:

- Strategic stakes in two listed resource companies
 - 30% stake in Pike River Coal (Market cap ~ NZ\$400m)
 - 15% stake in Pan Pacific Petroleum (Market cap ~ NZ\$230m)

Exploration Portfolio:

- Drilling at least 4 wells in 2009/10 drilling programme
- Farm-out campaigns underway for two promising drill-ready targets

Strong cash position:

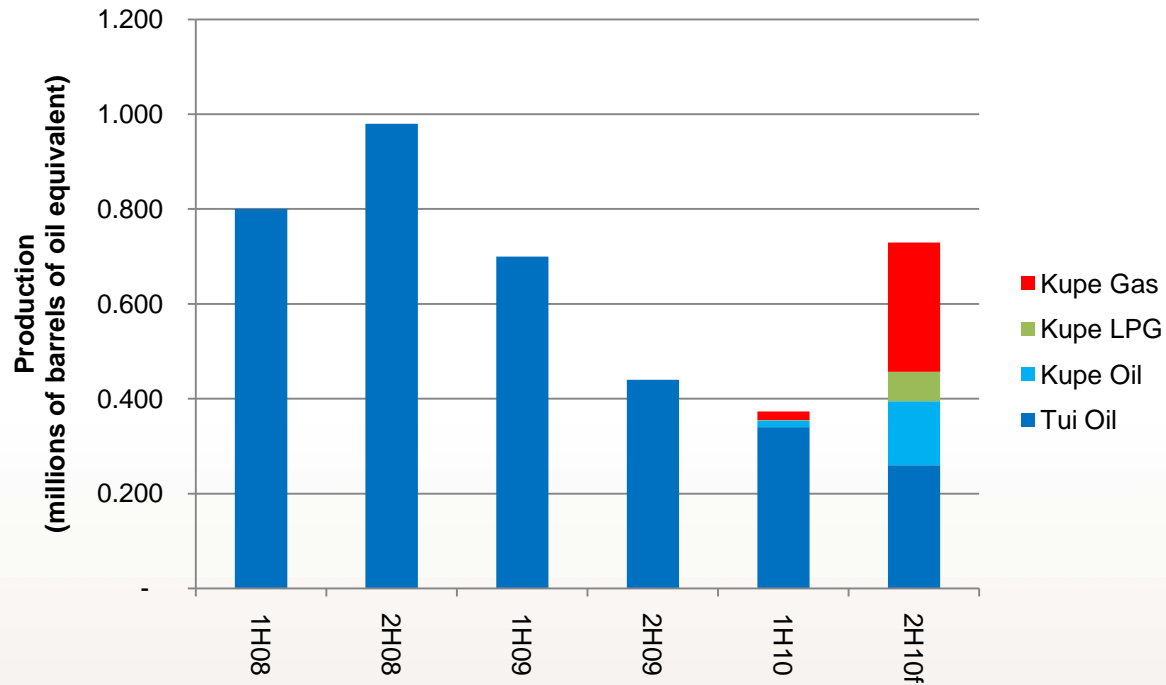
- NZ\$176 million gross cash (NZ\$118 million net cash) as at 31 December 2009

Recent Operational Highlights



- Kupe
 - NZOG's largest asset commenced production 4 December 2009
 - Commissioning activities completed 22 March 2010
 - Long term annual revenue stream for NZOG of ca. NZ\$60-65 million
- Tui
 - Field continues to perform well
 - Technical improvements to enhance facility availability during high seas
 - FY10 production target 4.8 mmbbls (NZOG share 600,000 barrels)
 - Near field prospects assessed and drilling planned for Q2 2010
- Exploration
 - 40% of Albacore permit acquired and Albacore-1 well drilled
 - 10% of Hoki permit acquired and Hoki-1 well drilled
 - Mangaa permit in northern Taranaki basin awarded to NZOG
 - Kaupokonui and Barque prospects assessed and farm-out campaigns underway
 - Regional seismic survey planned in Taranaki Basin

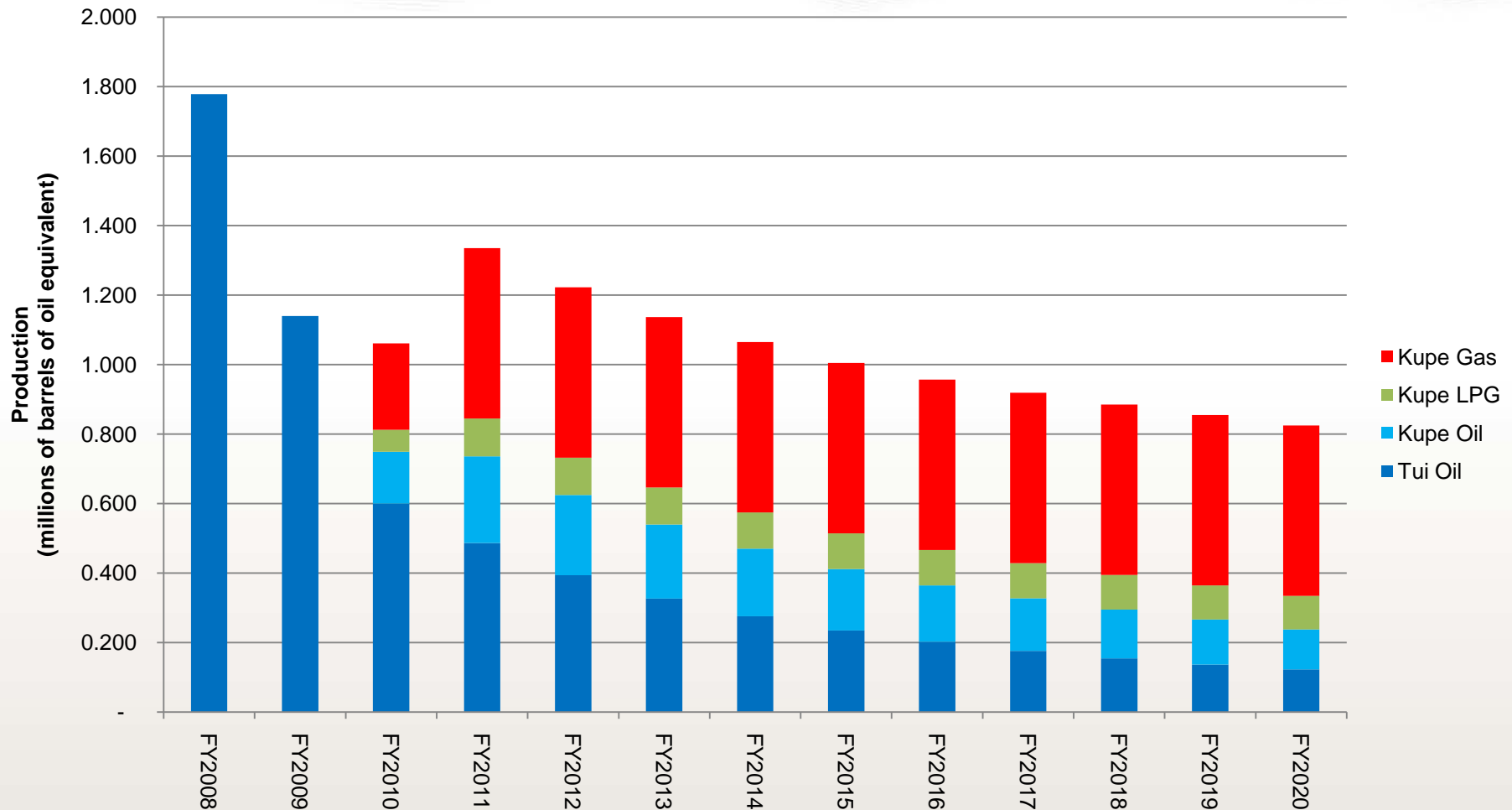
Forecast 2H10 and FY2010 Production



FY10 production forecast of 1.1 mmboe

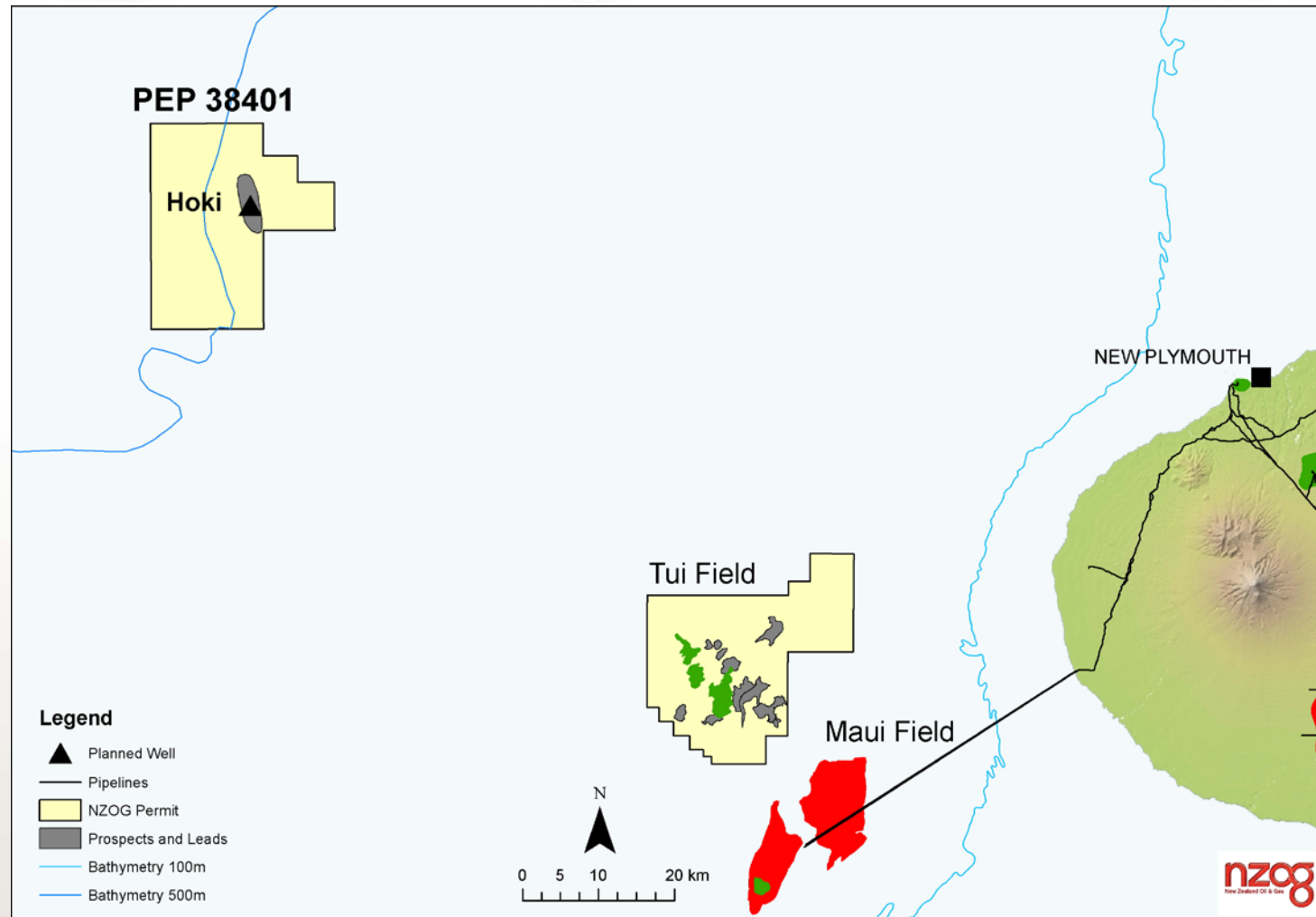
- Tui 0.60 mmbbls
- Kupe 0.16 mmbbls, 1.8 PJ and 8.0 kt LPG

Production Profile: Actual and Forecast



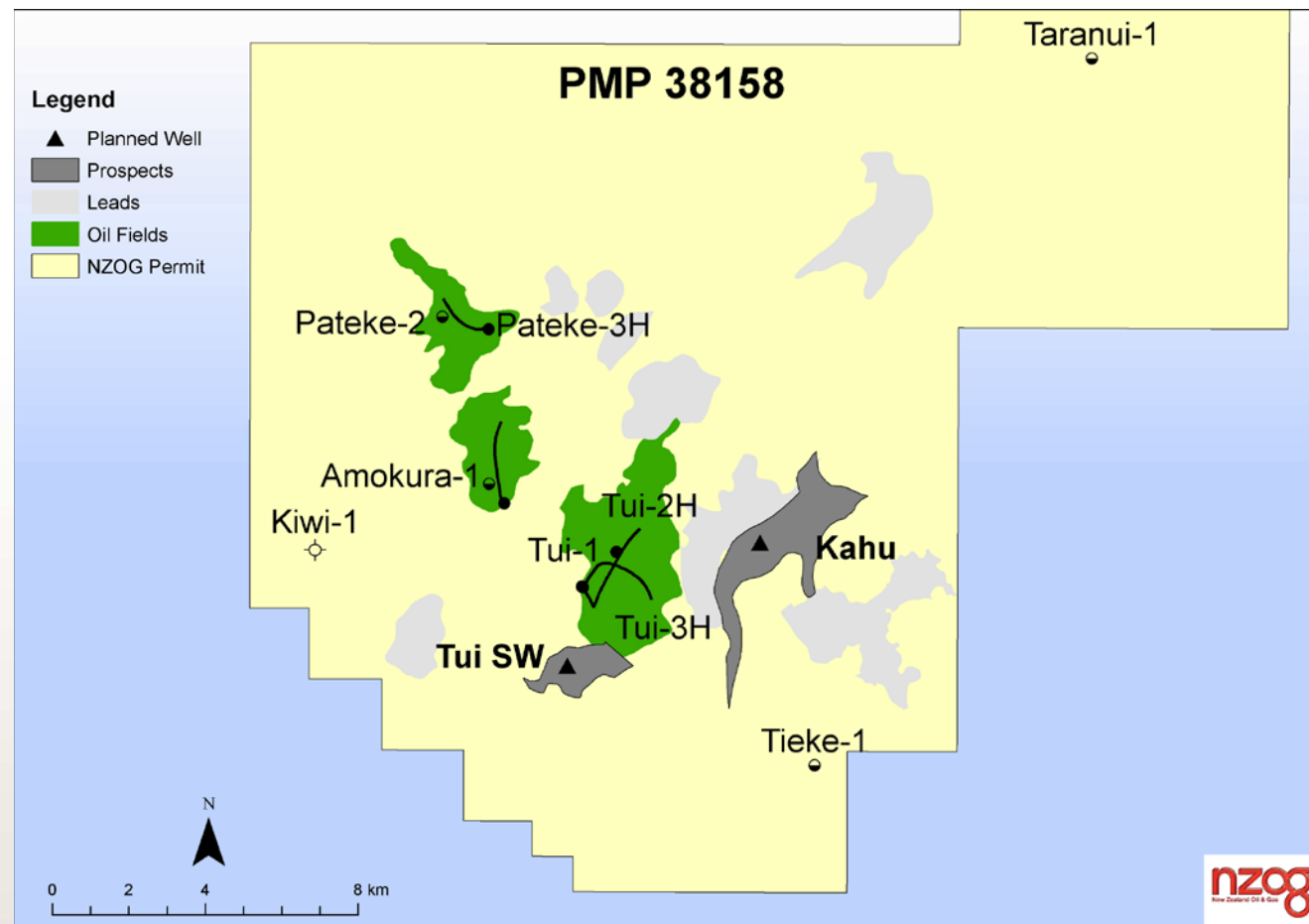
2010 Drilling Campaign - Hoki

- High risk, high impact well
- Spudded in early March
- Delayed for rig repairs
- Main target sands reached 16 April – no hydrocarbons



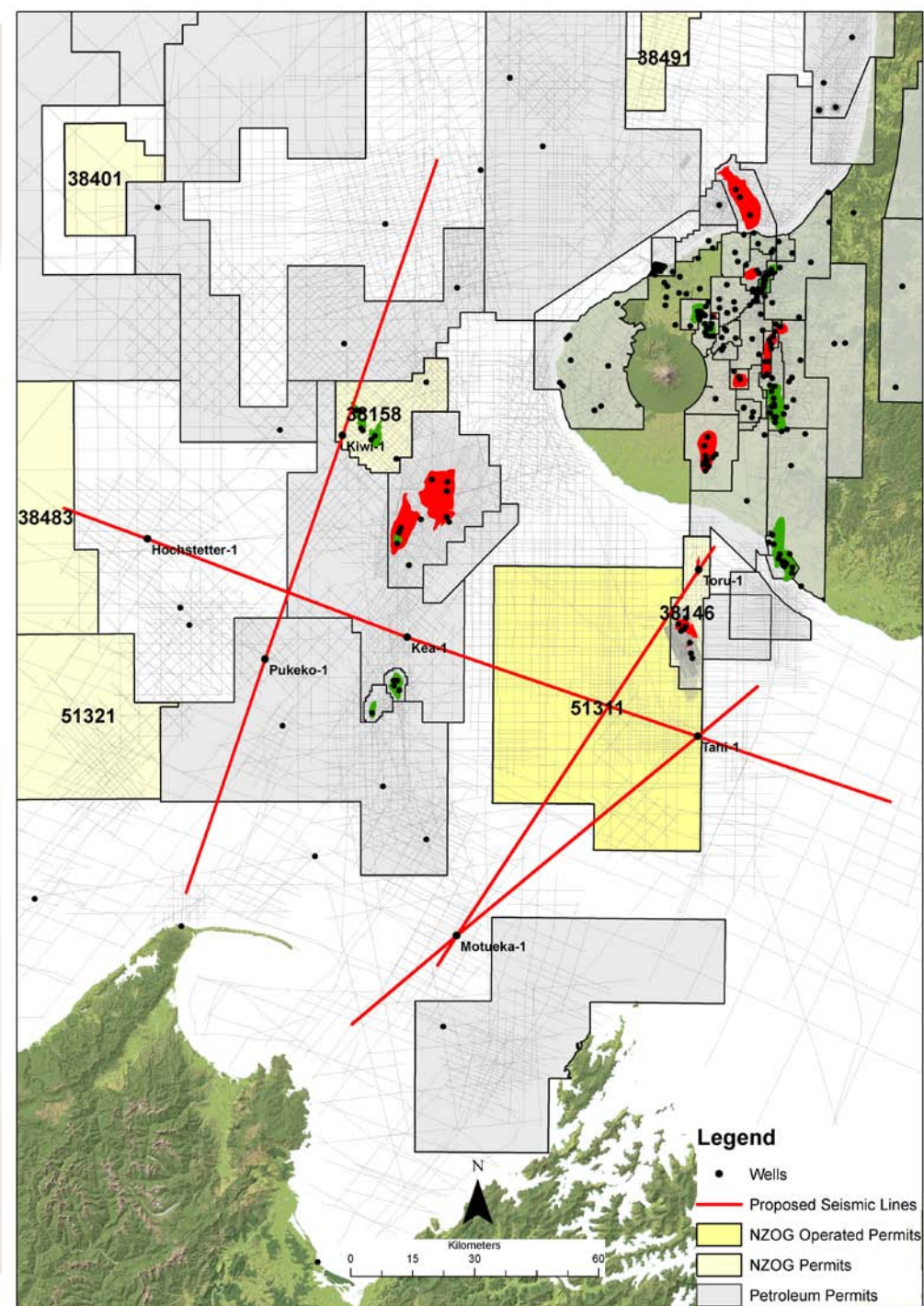
2010 Drilling Campaign - Tui

- At least two wells to be drilled immediately following Hoki
- Tui SW with potential quick tie-in to Tui facilities if successful
- Kahu a larger target and will provide important information on possible accumulations to the east



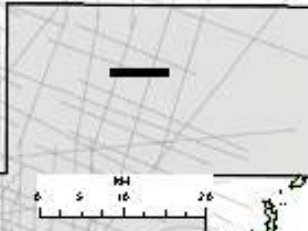
Seismic Survey

- Shooting regional seismic lines over southern and western offshore Taranaki Basin
- Will provide regional ties for better evaluation of Basin evolution

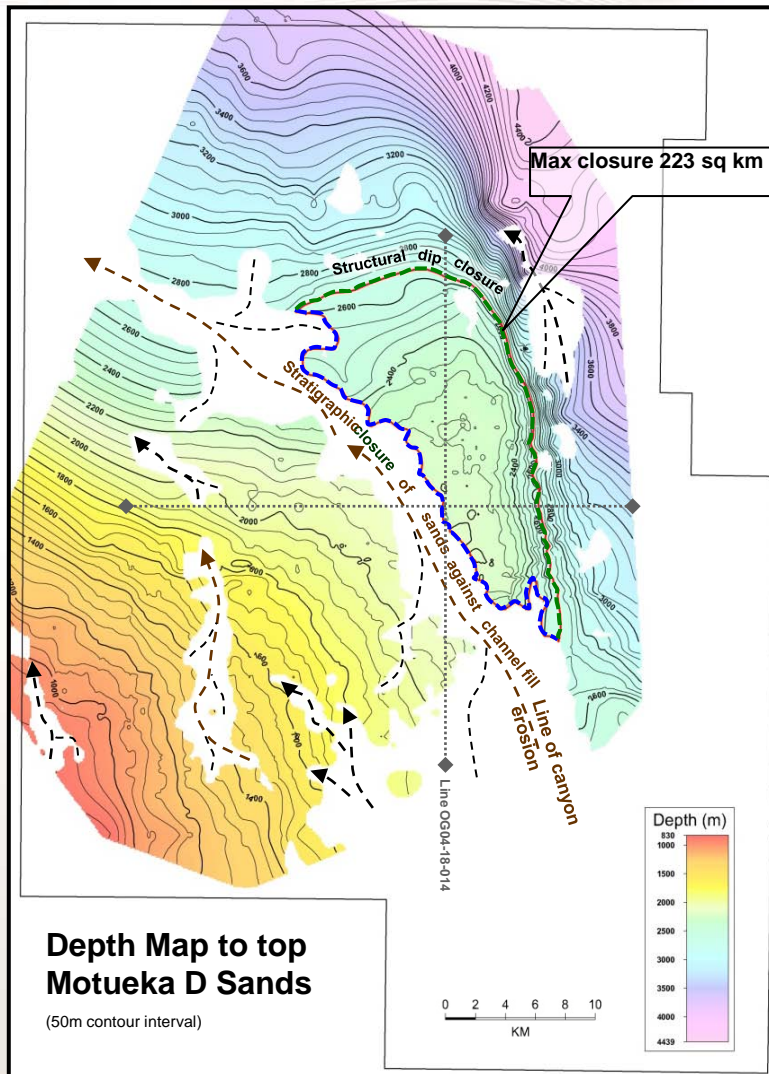


- Prospect between Kupe and Maari fields
- Testing canyon truncation of Miocene sands
- NZOG looking to farm down its 100% stake

The image is a composite. On the left, a zoomed-in map shows a coastal region with green patches and a black rectangular area labeled 'Black On Field'. A blue arrow points from this area towards the right. On the right, a larger map of Europe is shown, with a blue arrow pointing from the zoomed area to the continent.



Farm outs - Kaupokonui



Kaupokonui Volumetrics

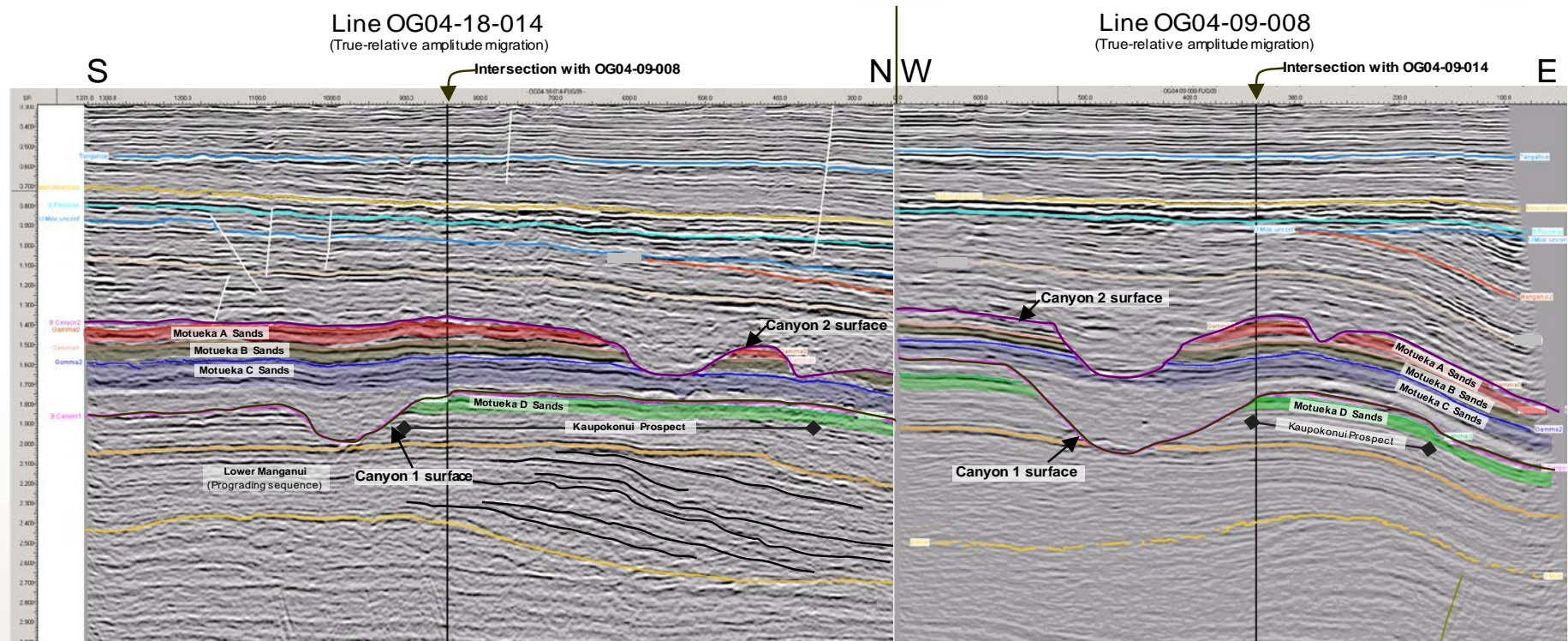
Reservoir Interval (Miocene Sst)	Mean Recoverable Resources (mmbbls)
Motueka-A	6
Motueka-B	11
Motueka-C	16
Motueka-D	186

Water Depth Target Depth

95m	2500m
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Other leads in permit being assessed

Farm outs – Kaupokonui seismic expression

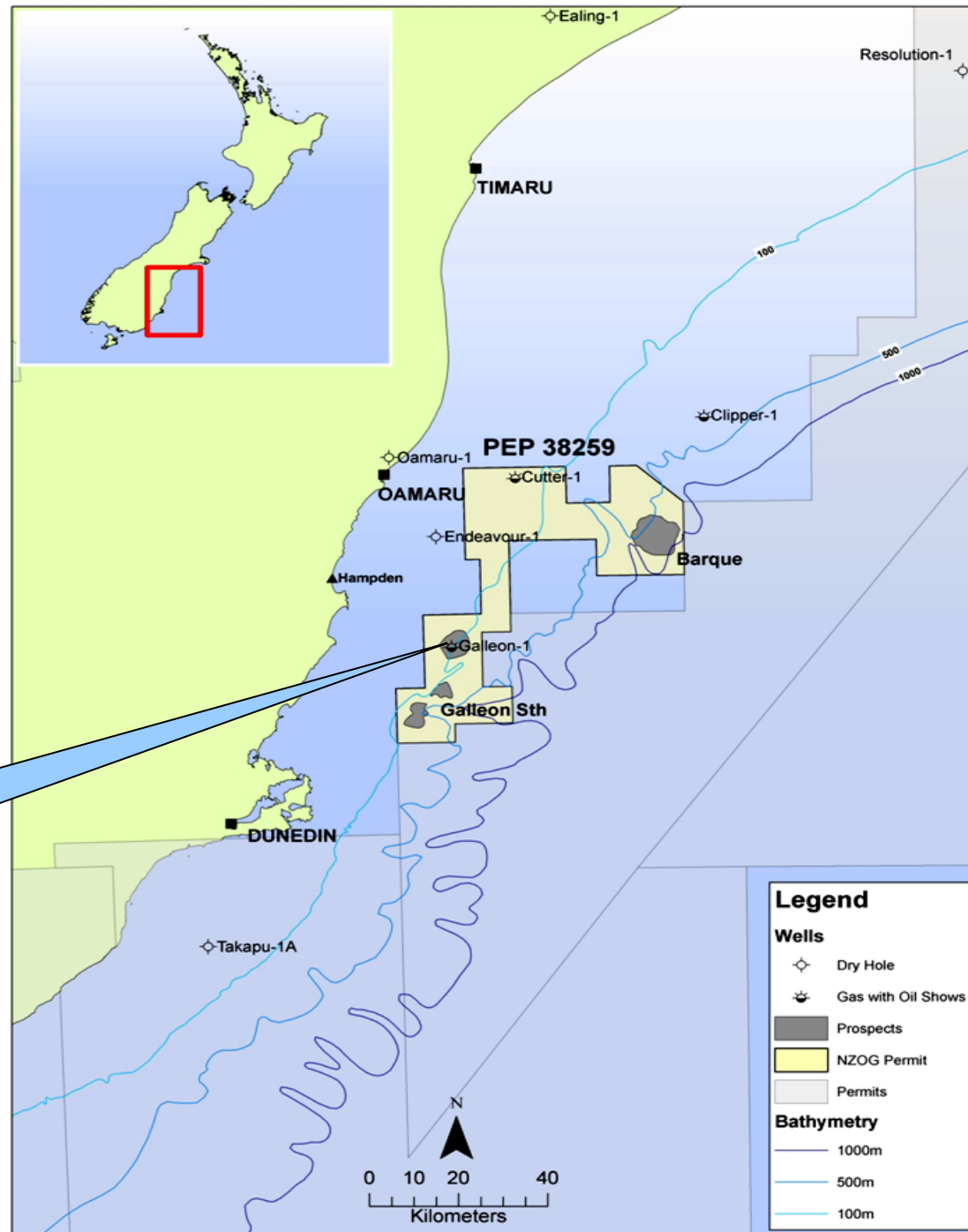


Proposed well location at the seismic line intersection will test stacked sands (shaded green, blue and red) truncated by shale-filled submarine canyons. Proven analogues in California, Sabah, Bangladesh and Gippsland basins

Farm outs - Barque

- Canterbury Basin gas condensate prospect
- NZOG looking to farm down its 40% stake

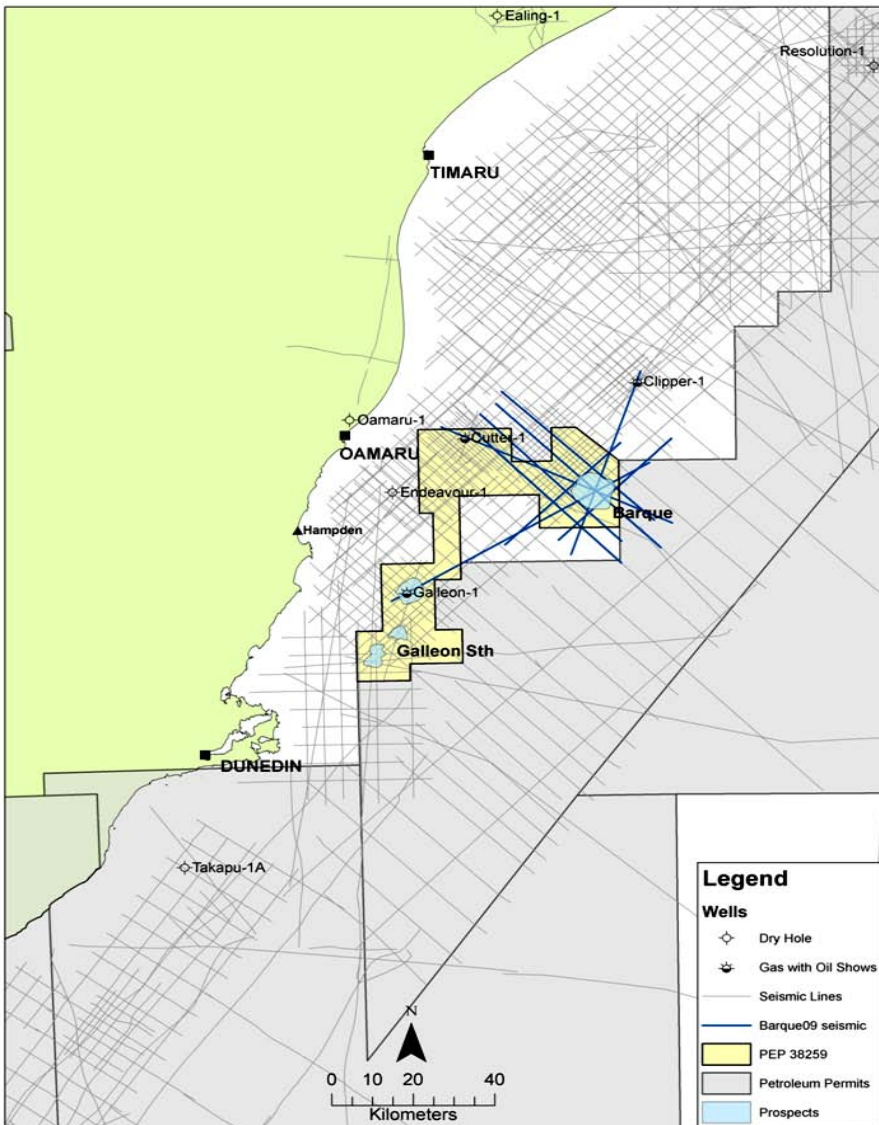
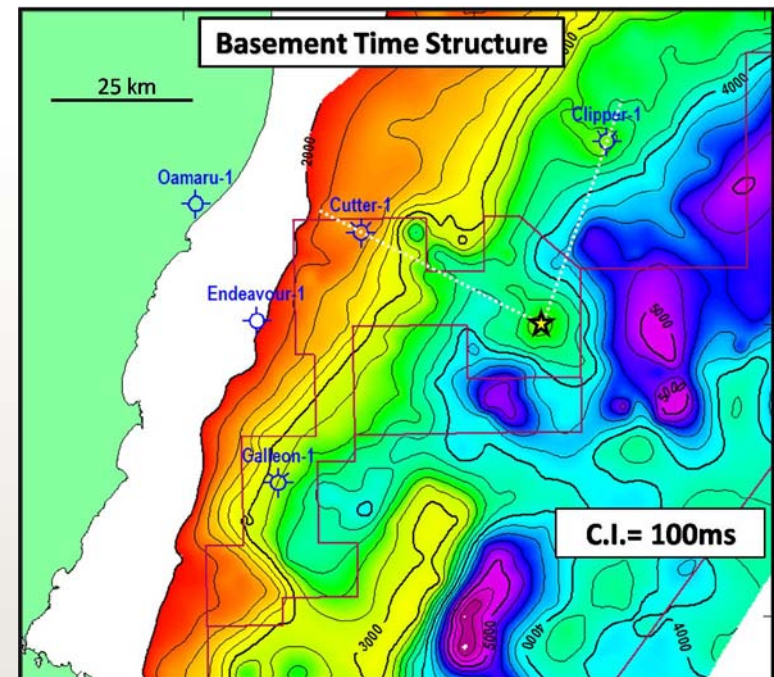
Galleon-1 (1985, TD 3086m)
Post-rift Herbert Fm
Gas/Condensate Discovery
DST 10.6 mmcfd + 2,240 bcpd
Oil shows



Farm outs - Barque

Barque Volumetrics

Reservoir Interval	Mean Recoverable Resources
Shag Point Sands	1.37 TCF of gas 154 mmbbls of condensate
Water Depth	Target Depth
500-800m	3000m



Farm outs – Barque

2D Prestack Depth Migration

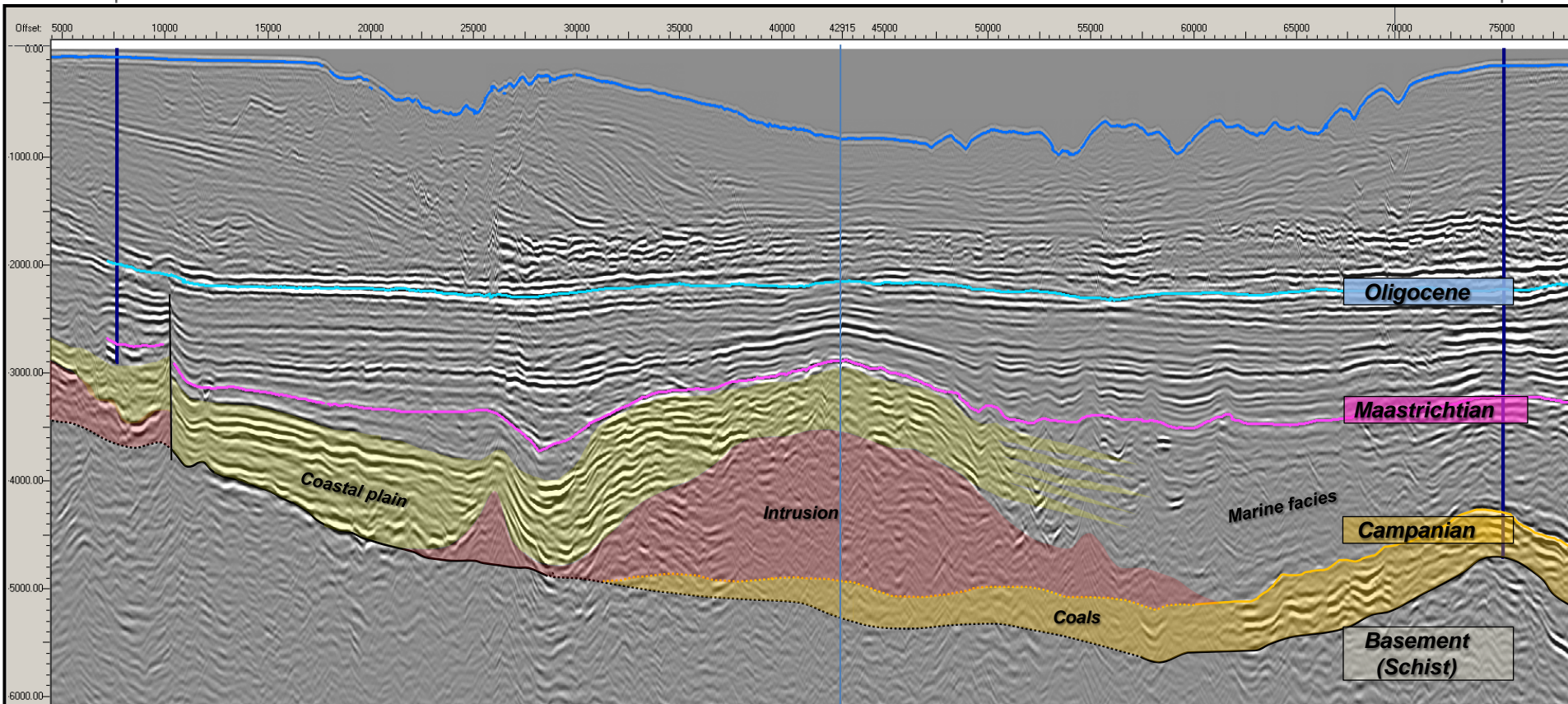
Cutter



Barque



Clipper



Looking ahead – New Investments



- Actively screening opportunities
 - Exploration, development and production assets, corporate acquisition
 - Wellington technical team strengthened
 - Experienced Northern Hemisphere scouts engaged
- Clearly defined criteria for investment:
 - Proven hydrocarbon systems
 - Quality business partners
 - Suitably attractive fiscal regime
 - Access to markets and infrastructure
 - Manageable regulatory and political risk
 - Manageable financial exposure
 - Near term payback as opposed to long term horizons
 - Establishing one or two new core areas (in addition to offshore Taranaki)

Summary



- A NZ\$600+ million E&P company with a proven record of taking discoveries through development and into production
- Solid operating revenues from the combined production of Kupe and Tui
- Opportunities for near-term exploration drilling success
- Attractive drill ready prospects being farmed-out
- Pursuing new investments in NZ and overseas
- Well resourced with a highly capable team
- Continue to target opportunities to build core businesses of oil and gas exploration and production, while sensibly managing existing portfolio to ensure shareholder value is maximised

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